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SUBJECT: GOZ ISSUES APPEAL FOR HUMANITARIAN ASSISTANCE

REFS: (A) Harare 01316, (B) Pretoria 03546; (C) Harare 01345

SUMMARY

1. The Government of Zimbabwe (GOZ) has finally issued a formal request for humanitarian assistance to the United Nations (UN). The primary request is for additional (not in the pipeline) food aid in the amount of 600,000 MT of maize to fill what the GOZ perceives to be the "food gap," the difference between anticipated national requirements and the national harvest and carryover stocks. The amount of food aid the GOZ has requested is considerably more than that requested in the WFP's appeal. Additional food-related requirements include supplementary and therapeutic feeding of malnourished children. Agricultural-related requests include inputs for agricultural recovery and livestock rehabilitation, and irrigation infrastructure and rehabilitation. On the health side, HIV/AIDS is awarded a high priority. Within this sector, the GOZ is appealing for assistance for vaccines; drugs to combat HIV/AIDS and opportunistic infections, malaria, TB and other diseases; and water and sanitation. Aside from some minimal support for livestock recovery and seeds, the only GOZ contribution to its own appeal would be some 284,000 Metric Tons (MT) of "opening stocks" and a yet to be fully budgeted amount of funds to continue its woefully inadequate "Public Works" (Cash-for-Work) program. In a letter from the Ministry of Finance, the GOZ requests donors to fill the entire food gap, in conjunction with commercial imports. Humanitarian assistance for all other sectors is clearly expected to come from the international donor community. We believe the GOZ can and should be responsible for some of the 600,000 MT of cereal needs, either through using its own scarce but fungible forex resources, or by allowing well-heeled elements in the private sector to participate. Post provides current plans and recommendations for the USG response to this appeal.

GOZ ISSUES APPEAL FOR
HUMANITARIAN ASSISTANCE

2. On 21 July 2003, the Minister of Finance and Economic Development presented the UN with the long-awaited formal GOZ appeal for humanitarian assistance. The World Food Program (WFP) had already issued an Emergency Operation appeal (EMOP) for food aid from July 2003 through June 2004 (Reftel B). The UN Consolidated Appeal (CAP) for emergency humanitarian assistance has been ready for weeks awaiting a formal GOZ request. In the meantime, donors and non-governmental organizations (NGOs) have been attempting to plan based on "unofficial working estimates" to address what they perceive as a deteriorating humanitarian situation in country.

IT'S STILL DROUGHT

3. The GOZ Appeal acknowledges that Zimbabwe is facing a severe crisis and that macroeconomic "challenges," lack of foreign exchange, a balance of payments deficit and high levels of inflation are factors contributing to this crisis. It continues to maintain, however, that the government's agrarian land reform program bears no culpability for the country's continuing economic

collapse and, to the contrary, remains its major strategy for poverty reduction in Zimbabwe.

14. More than three pages of the 20-page appeal are devoted to an exegesis of the series of droughts that Zimbabwe has experienced since 1991. The document places drought, weather, and ill-timed and unpredictable rains front and center as the prime cause of Zimbabwe's troubles. While three years of drought have eroded traditional coping mechanisms and while drought certainly played a part in last year's crisis, drought is chronic in certain regions of Zimbabwe and, alone, has never brought the country to its knees. It is certainly not the sole or even primary cause of the situation in which Zimbabwe finds itself currently, as corroborated by the significantly improved harvests and food security conditions in many of the country's neighbors this year.

HIV/AIDS GAINS CENTER STAGE

15. For the first time, the GOZ appeal places HIV/AIDS center stage. Mitigation of the impact of HIV/AIDS is given high priority and its invasive and debilitating effects on all areas and populations in Zimbabwe are acknowledged. In a country where more than 30 percent of the sexually active adult population is infected by the disease, HIV/AIDS compounds the current humanitarian crisis at every level. HIV/AIDS not only exacerbates food insecurity and decimates valuable human resources but is, in turn, complicated and fed by the malnutrition and opportunistic diseases that are byproducts of food insecurity. Accordingly, this new prominence for HIV/AIDS in the national agenda is welcome.

THE FOOD GAP

16. The GOZ blames the delay in the release of its appeal on trying to come up with an accurate maize crop estimate. In arriving at its estimate, the government has "creatively" averaged the figures from recent Government crop forecast assessments, the ZIMVAC and the FAO/WFP Crop and Food Supply Assessment Mission (CFSAM) to arrive at an estimated maize crop of 900,000 MT. [Note: Although similar large shortages exist for wheat, there is no mention of wheat balances or requirements throughout the entire document. End Note.] Against an estimated national maize requirement of roughly 1.9 million MT, less estimated "opening" stocks of 284,000 MT (presumably including some combination of outstanding contracted government imports and on-going purchases of the domestic crop), the resulting shortfall is 710,000 MT. Correctly noting an estimated 120,000 MT in WFP's food aid pipeline (Reftel B), the Appeal, therefore, identifies a 600,000 MT food gap that it requests to be filled entirely by the international donor community.

17. The only evident GOZ contribution would be the 284,000 MT of planned imports/local purchases noted above that have yet to materialize, and an as yet not fully budgeted ZW\$ 28 billion to continue its heavily criticized ZW\$ 42 billion "Publics Works" (Cash-for-Work) program over the coming year, with the balance ZW\$14 billion being met "by the donor community and the private sector." [Note: While the official exchange rate remains ZWD 824:USD 1, the parallel market rate is now 3,350:1. End Note.]

NON-FOOD ASSISTANCE
REQUESTED BY GOZ

18. The GOZ Appeal requests assistance in a number of non-food sectors, too. For agriculture, the appeal requests support for agricultural recovery to promote "food sufficiency through increased production in communal, resettlement and commercial farming areas," pointedly noting prior donor discrimination in excluding the newly resettled farmers from international relief assistance to date. The need for livestock inputs (ZW\$ 120 billion), seeds and fertilizers for cereal and oil crops (ZW\$ 758 billion) is highlighted. The GOZ makes a sweeping, but vague commitment to "fund 50 percent for the cereals, beef and small stock, and 30 percent of oil seeds, crops and horticulture." In addition, the appeal includes a request for an estimated ZW\$ 6.65 billion for short-, medium- and long-term irrigation infrastructure rehabilitation and development.

19. Additional areas in which assistance is requested are:
-- Malnutrition - Therapeutic and supplementary feeding, including vitamin supplements, in 31 districts in which global acute malnutrition exceeds 5 percent and/or severe

acute malnutrition exceeds 2 percent, according to the recent UNICEF National Nutritional Survey results. No beneficiary numbers or estimated dollar cost is indicated for this category of assistance.

-- Health - Support for health facilities and initiatives in the form of equipment, drugs, vaccines, insecticides (anti-malarial) and gases that the government cannot import due to foreign currency constraints. [Note: A long shopping list is attached to the appeal as an annex, including drugs for HIV/AIDS, malaria, TB and other diseases.] While estimated caseloads and quantities are provided, no dollar costs are presented for these requirements either.

-- Water and Sanitation - Rehabilitation of water sources, submerged boreholes and sanitary facilities damaged during recent heavy rains or drought as well as installation of water services in previously non-serviced areas, i.e., resettlement areas, in six provinces (Masvingo, Midlands, Matabeleland South and North, Manicaland and Mashonaland Central). Again, while assistance requirements are specified, no estimated dollar costs are included for this category of assistance.

USG FOOD AID RESPONSE

9. Generally, the GOZ Appeal confirms what we have known for some time via other recent assessments (see Refelts). Despite the consensus that this year's maize harvest is better than last year's, the overall food security situation in Zimbabwe will not improve significantly over the current marketing year. Continued economic collapse, increased scarcity of food commodities and concomitant higher prices and profiteering will largely negate most benefits of the increased harvest. In particular, the situation in urban areas is expected to deteriorate. In the appeal, the GOZ has at least tacitly acknowledged its inability to import much, if any, maize in the coming year. Zimbabwe's private sector has the financial wherewithal to fill the gap if the GOZ cannot, and the private sector has the motivation as the Grain Marketing Board farm gate price for maize has risen dramatically if belatedly to stimulate production and is approaching the regional price of maize, calculated at the parallel rate, which makes private sector involvement economically feasible. Unless the current policy context is changed, however, there will be no private sector imports. This would increasingly leave both urban and rural areas with food shortages, particularly as the hungry season (December 2003 - April 2004) progresses.

10. As a result, post suggests that the USG will need to provide food aid to Zimbabwe at a level comparable to that of last year, and possibly higher. WFP's new EMOP includes plans to distribute approximately 450,000 MTs in Zimbabwe between July 2003 and June 2004, of which about 110,000 MTs will be covered by carryover commodities from its previous EMOP, leaving "new" donations of 300,000 plus MT. We would expect the USG, through USAID/DCHA's Office of Food for Peace, to provide between 40 and 50 percent of the net additional WFP requirements. The C-SAFE program, which is fully funded by USAID, also plans to distribute an additional 100,000 MTs in rural areas during this period through targeted free distributions, food-for-work programs and supplementary feeding. Further, it is anticipated that C-SAFE's Market Intervention Pilot Program in Bulawayo will provide 20,000 MTs of sorghum through January 2004. Depending on the success of this pilot program, tonnage may be increased if the program continues beyond January 2004 and expands into other urban areas.

USG NON-FOOD AID RESPONSE

11. The USG, through USAID/DCHA's Office for Foreign Disaster Assistance (OFDA), is concentrating its response to the humanitarian crisis in Zimbabwe in the following sectors:

-- emergency nutrition interventions through therapeutic and supplementary feeding programs targeted at children under five and certain hotspots of persistently high malnutrition rates;

-- agricultural inputs, particularly seeds and technical support, for subsistence farming in communal areas to foster self-sufficiency;

-- drip irrigation projects in areas of chronic drought and in support of the food security needs of certain vulnerable populations such as HIV/AIDS-affected households and orphan- and elderly-headed households;

-- support to Internally Displaced Persons (IDPs), especially ex-commercial farm workers;

-- rehabilitation of existing water and sanitation

infrastructures in areas suffering most from the residual effects of drought;
-- support for monitoring the humanitarian response, principally through non-governmental agencies, and including support for periodic U.N.-supported food security and nutrition surveys and needs assessments; and
-- UN coordination and information dissemination for the greater humanitarian response through support to its Office for the Coordination of Humanitarian Affairs (OCHA).
To date, approximately US\$ 6.2 million of OFDA funds have been programmed in FY03 in support of UN and NGO initiatives in these areas, with a similar amount under consideration for early FY04.

MISSION COMMENTS

¶12. While it is essential to provide enough resources to meet the humanitarian needs of the most vulnerable, it is also important that donors avoid giving the impression that they are willing to meet the entire food gap in Zimbabwe, and/or some of the other non-food needs listed in the appeal document (even for the more credible requests included therein). This would seriously undermine our joint on-going efforts to pressure the GOZ to effect the policy reforms required to facilitate a more comprehensive and robust humanitarian response and a speedier transition to recovery (see Reftel C).

¶13. The Mission believes that the set of USG food and non-food assistance activities outlined above satisfactorily meets these critical minimal relief requirements. In combination with known other donor plans for humanitarian assistance to Zimbabwe over the current marketing year (especially the EU and DfID), this assistance should suffice in meeting this aim, at least through the end of the current CY (December 2003). Post appreciates DCHA's continuing support in meeting these significant food and non-food aid requirements.

¶14. The GOZ Appeal confirms, at least implicitly, government's current "bankrupt" status (although we note that they have found enough forex recently to purchase new luxury vehicles for senior GOZ officials), and its purported inability to respond to its citizens' continuing desperate plight (unlike last year, when government was able to muster considerable resources of its own for food imports). For this reason, we believe that the prospect for GOZ movement on relevant policy issues is better than it has been in the past. We believe that UN/donor pressure can best be exerted by limited donor response to the amount of the WFP appeal, thereby presenting the GOZ with clear options - use its own limited forex to import for the GMB, or permit the private sector to re-enter the grain import sector. The Mission would like to use the current opportunity to press the dialogue on GOZ policy reform to the fullest extent possible (ref C). Accordingly, the Mission does not wish to "broadcast" these considerable USG assistance plans at this time. Post will appreciate Washington's continued cooperation with this request. Sullivan